

Intelligent Investment

Germany Investment Market Top 7 Locations Q4 2025

REPORT

German real estate
investment market drops
below the 2024 level
despite year-end rally

CBRE RESEARCH

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Overview

The seven most important and largest real estate markets in Germany account for the majority of the investment transaction volume. As the top 7 locations, Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart are analyzed below with regard to current market developments.

FIGURE 1

Key Performance Indicators Investment Market*

	Q4 2025	Year-on-Year comparison	Portfolio ratio	Share of foreign Investors
Berlin	4,873	-21%	8%	43%
Düsseldorf	1,260	-16%	19%	36%
Frankfurt	678	-53%	8%	43%
Hamburg	2,124	-8%	26%	26%
Munich	2,753	-12%	9%	49%
Cologne	1,582	+42%	12%	17%
Stuttgart	165	-59%	0%	39%

Source: CBRE Research Q4 2025; *incl. residential properties from 50 residential units

Berlin

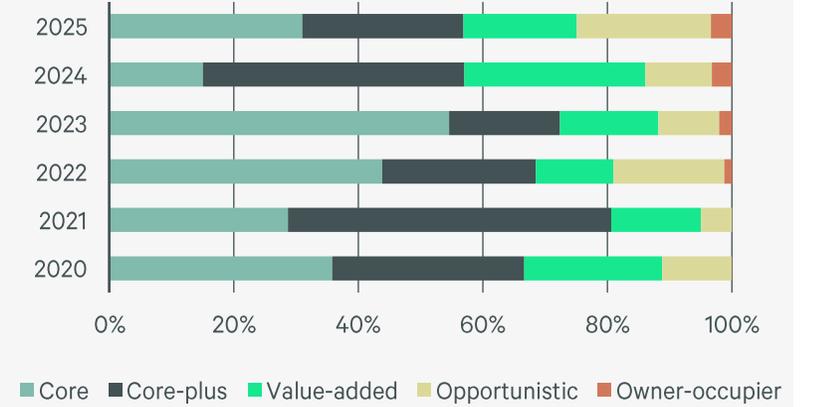
- Berlin's investment volume fell by 21% in 2025 to €4.9bn – nevertheless, the capital remained the leader with a 36% share of the Top-7 transaction volume, while investment momentum picked up significantly in the second half of the year, with volumes 35% higher than in the first half
- Investment volume in the residential segment fell sharply by 43% year-on-year but remained the strongest asset class at €1.6bn – it should be noted that 2024 was heavily driven by large transactions over €100m, which were absent in 2025 due to the largely completed portfolio streamlining by major holders in the Berlin market; in the commercial real estate sector, the office segment was by far the leading category and recorded a 22% increase to €1.2bn
- In 2025, office investments were clearly focused on central locations: the CBD submarkets accounted for over €900m and thus around 75% of total office transaction volume, with most deals occurring in the price segments below €100m; many investors continued to prefer small to mid-sized ticket sizes across all risk profiles and increasingly targeted assets with repositioning potential in CBD locations – core-plus and value-add transactions amounted to around €537m in 2025
- Prime yields for office properties in the CBD declined slightly in 2025 to 4.6% (-0.2%-points year-on-year); by contrast, prime yields in the city fringe rose to 6.1%, while peripheral locations remained stable at 7.0% – the differentiation by location and asset quality continues to intensify
- For 2026, investment activity is expected to increase despite a challenging economic environment, as additional existing assets – particularly from long-held portfolios of institutional investors such as insurers, funds and pension schemes – are likely to come to market; many of these market participants have reached or exceeded their strategic holding periods and, following the previous super-cycle, are facing significant transformation pressure

FIGURE 2
Investment Volume by Types of Buyer/Seller (in €bn)



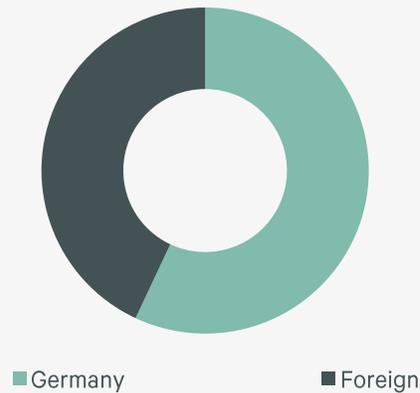
Source: CBRE Research Q4 2025

FIGURE 3
Investment Volume by Risk Classes (in %)



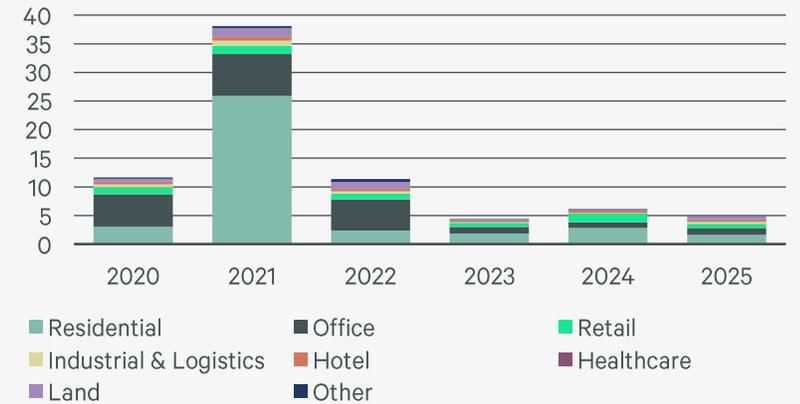
Source: CBRE Research Q4 2025

FIGURE 4
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 5
Investment Volume by Asset Classes (in €bn)

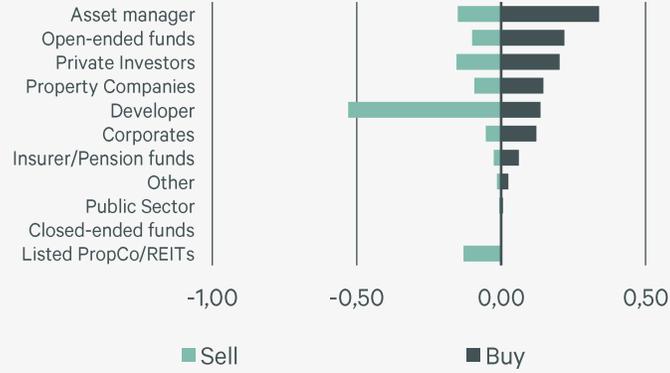


Source: CBRE Research Q4 2025

Dusseldorf

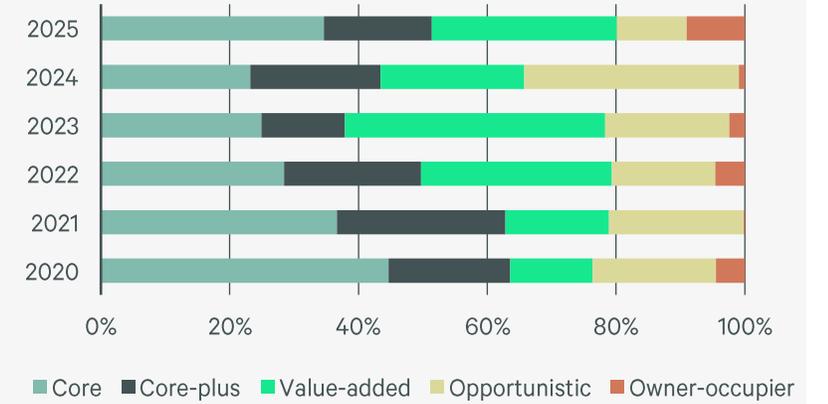
- The Düsseldorf real estate investment market (city of Düsseldorf, Ratingen, Hilden, Erkrath, and Neuss) saw a 16% decline in transaction volume compared to the previous year, to just under €1.3bn, of which a good €1bn was attributable to commercial real estate
- While the overall investment market in Düsseldorf slowed down compared to the previous year, the office asset class grew significantly – by 68% to €517m – and was thus by far the strongest asset class in the market area, followed by residential (50+ residential units) and logistics properties
- While the number of transactions across all types of use remained roughly at the previous year's level, there were significantly more deals in the office segment than in 2024; overall, the lion's share of the transaction volume, at just over three-quarters, was accounted for by the €20m to €100m range – full-equity investors became more active in 2025 and acquired smaller properties at lower prices
- Around half of the transaction volume was accounted for by core and core-plus products, which illustrates the quality and security requirements of investors, who are less risk-averse in the new market phase than before
- Interest in smaller transactions is not only driven by liquidity, but also by attractive prices outside Düsseldorf's city center: while Königsallee and the whole CBD submarket remain in high demand, various transactions have shown that locations in Neuss and Ratingen are also attracting buyers thanks to attractive purchase prices
- Net initial yields remained stable across all asset classes, standing at 4.9% for prime office buildings in the CBD at the end of 2025, 5.5% in city fringe locations, and 6.25% in peripheral locations; while prime yields are likely to remain stable in 2026, total returns will be driven by rising rents, particularly in markets and asset classes with limited supply and high demand

FIGURE 6
Investment Volume by Types of Buyer/Seller (in €bn)



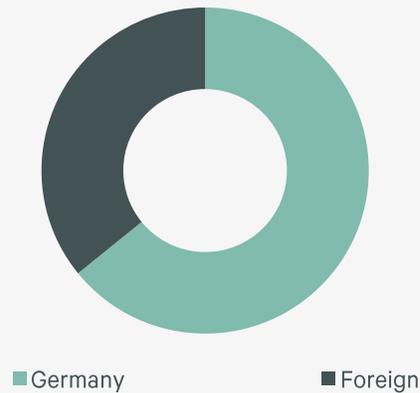
Source: CBRE Research Q4 2025

FIGURE 7
Investment Volume by Risk Classes (in %)



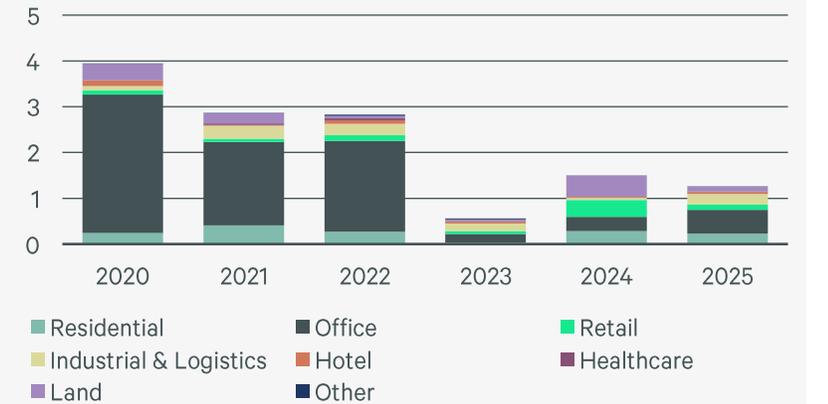
Source: CBRE Research Q4 2025

FIGURE 8
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 9
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q4 2025

Frankfurt

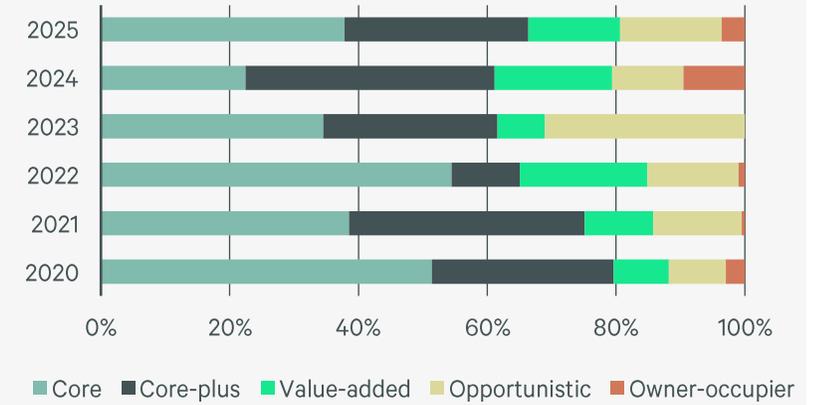
- The year 2025 will be remembered as one of the weaker years in the statistics: the Frankfurt real estate investment market (including Eschborn and Offenbach/Kaiserlei) recorded a volume of around €678m, which was 53% below the previous year's level – the central challenge of the year was the ongoing price discovery phase, many owners held on to their properties to avoid realizing losses in value
- Notwithstanding the overall market decline, investors maintained a concentration on the office asset class, with €350m invested in office properties, constituting 52% of the total volume and representing more than half of all investments; residential real estate accounted for 19% of transaction volume, land sales for 11%, and retail for 9%
- The most significant net buyers were asset and fund managers, who invested more than they divested on balance; in contrast, project developers and property developers dominated on the seller side
- Despite continuing (geo-)political risks, market sentiment is more positive overall with regard to 2026; inflation in the eurozone is largely under control, and interest rate expectations have stabilized — an environment that facilitates investment decisions; prime yields for office properties have remained stable since the third quarter of 2025 at 4.9% in the CBD, 5.3% in city fringe locations, and 6.55% in peripheral areas
- There are many indications that the investment market will be more stable in 2026, several large-volume office properties are already on the market and in the process of being sold, such as the 'Opernturm', the 'WestendDuo' and the 'Welle'; their successful completion is likely to provide decisive impetus for sustained recovery in the real estate investment market, marking the beginning of a new investment cycle

FIGURE 10
Investment Volume by Types of Buyer/Seller (in €bn)



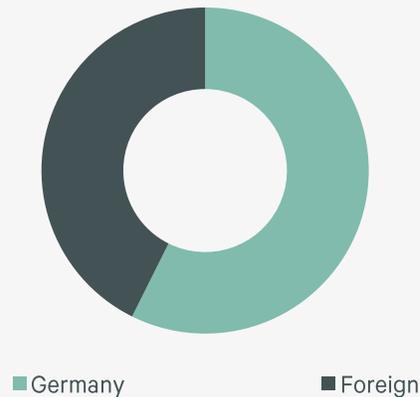
Source: CBRE Research Q4 2025

FIGURE 11
Investment Volume by Risk Classes (in %)



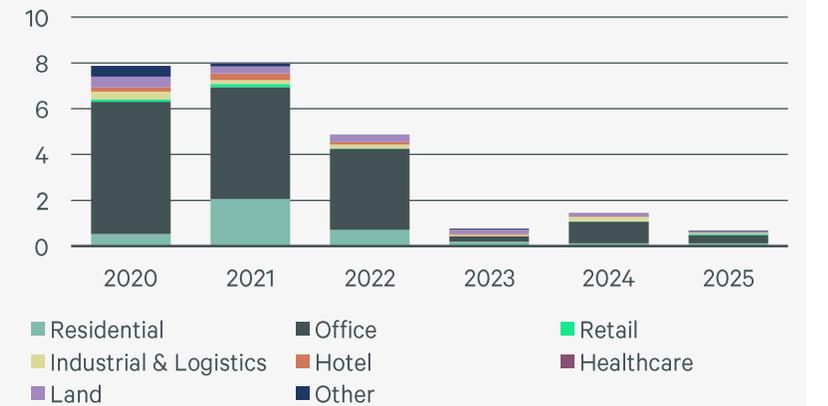
Source: CBRE Research Q4 2025

FIGURE 12
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 13
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q4 2025

Hamburg

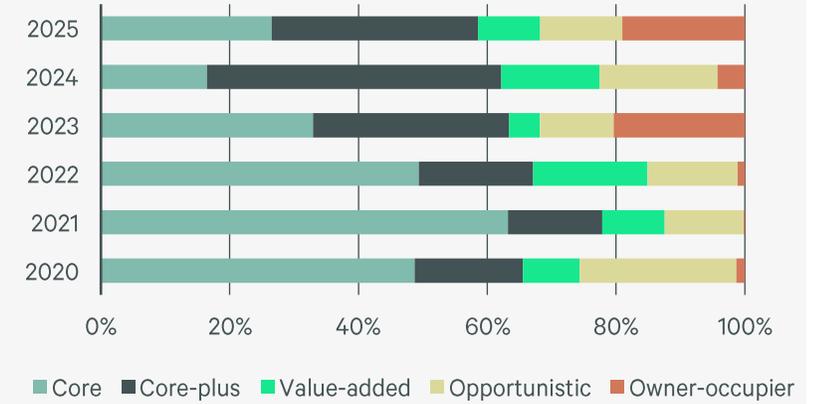
- The absence of large-volume core deals led to a 7.8% year-on-year decrease in transaction volume in the Hamburg investment market, amounting to €2.1bn; the significant 58% decline in the fourth quarter is primarily attributable to a special effect, as the previous year was characterized by sales from the Signa portfolio in the triple-digit million range
- With a share of 53% in the overall investment volume, the periphery formed the focus of transaction activity for the year as a whole, whereas assets in the CBD contributed only 24% due to an acute shortage of core products; while the already advanced price correction in fringe locations increased transaction activity, owners of prime city properties are remaining in a holding position, which continues to complicate price discovery in the CBD for institutional investors due to a lack of reference transactions
- Adjusted for a large-scale healthcare portfolio in the first quarter, the office segment remained the strongest force in the market with a share of 48% (€701m), followed by land sales at 16%, which were significantly supported by the transaction of the ‘Holstenareal’; the logistics (15%) and retail (14%) sectors appeared stable but were limited by a persistent lack of product
- In view of the restraint shown by institutional players over the full year, private investors increasingly moved into focus, with—adjusted for the healthcare portfolio acquired by the city—around 21% of the total volume being generated by family offices and high-net-worth individuals; this shift is particularly evident in the office segment, where only five of the total 30 transactions involved institutional players
- While the broader market continues to be characterized by a repricing process, selective demand for absolute trophy assets in the CBD led to a slight compression of the prime yield from 4.9% to 4.7% year-on-year; this development illustrates the increasing polarization between core assets and the rest of the market, with price corrections in other segments opening up new entry opportunities, particularly for opportunistically oriented investors

FIGURE 14
Investment Volume by Types of Buyer/Seller (in €bn)



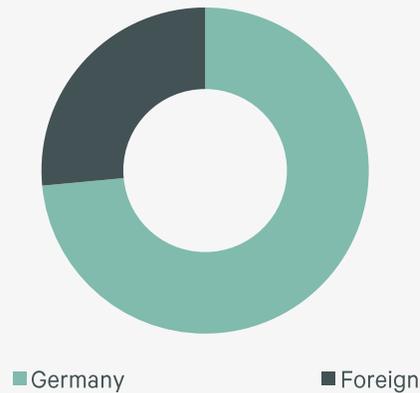
Source: CBRE Research Q4 2025

FIGURE 15
Investment Volume by Risk Classes (in %)



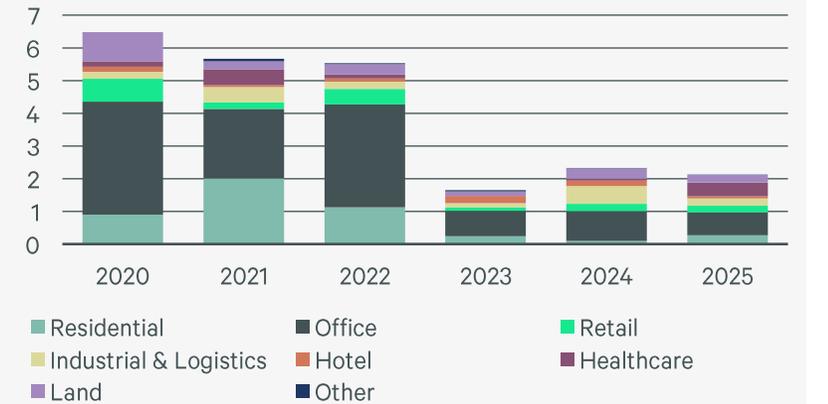
Source: CBRE Research Q4 2025

FIGURE 16
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 17
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q4 2025

Munich

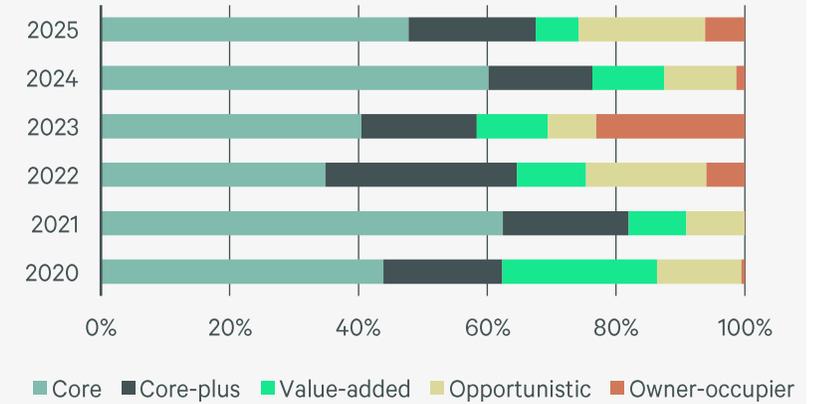
- The transaction volume on the Munich market declined by 12% year-on-year to €2.8bn of which 92% (€2.5bn) was attributable to commercial real estate; investors continue to focus on central inner-city locations and well-connected districts of Munich, while the supply of high-quality products remains very limited
- The surprisingly strong fourth quarter, in which more than half of the total annual volume (€1.4bn) was achieved, provided clear positive signals; with seven major transactions in the CBD, each worth over €50m – four in the retail segment and three in the office segment – developments at the end of the year contributed significantly to stabilizing demand within these asset classes and creating additional confidence in large-volume deals in Munich's premium locations
- One of the largest sales was the CORBINIAN mixed-use project on Schützenstraße, which changed hands for a good €200m; in addition to retail (33% share) and office (31%), several prominent properties were also sold in 2025 in the hotel asset class (11%), such as the Mandarin Oriental and the Courtyard by Marriott Munich City Center
- Private investors were by far the most active buyer group last year, accounting for 36% of the total volume, ahead of corporates and project developers, each with 14%. The participation of international investors marked a significant increase of 76% compared to 2024, now standing at 49%, which demonstrates Munich's high status as a globally sought-after investment destination, especially in times of high global political uncertainty
- The prime yield remained stable at 4.4% at the end of the year, unchanged from the previous quarter and down 0.2%-points year-on-year; in the institutional capital sector, yield development continues to be considered stable; private equity investors, on the other hand, are often using the current market situation as an opportunity to enter the market and are in some cases accepting significantly lower yields in order to secure good properties in prime locations as part of 'once-in-a-lifetime' transactions and benefit from their sustainable development in the long term

FIGURE 18
Investment Volume by Types of Buyer/Seller (in €bn)



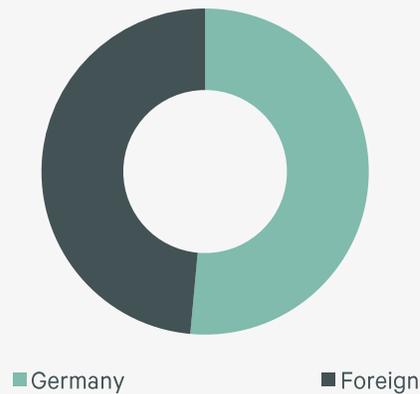
Source: CBRE Research Q4 2025

FIGURE 19
Investment Volume by Risk Classes (in %)



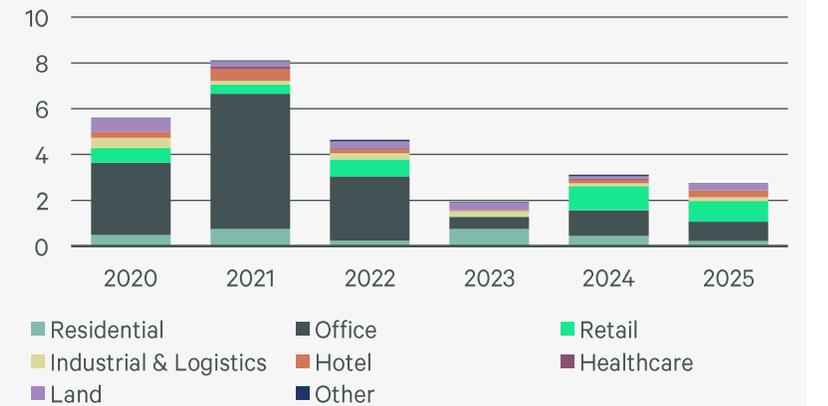
Source: CBRE Research Q4 2025

FIGURE 20
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 21
Investment Volume by Asset Classes (in €bn)

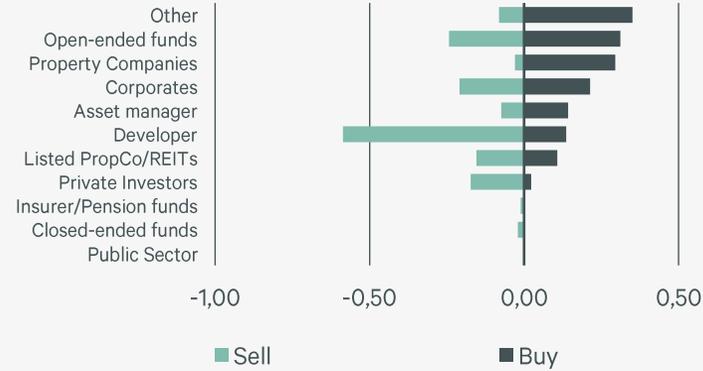


Source: CBRE Research Q4 2025

Cologne

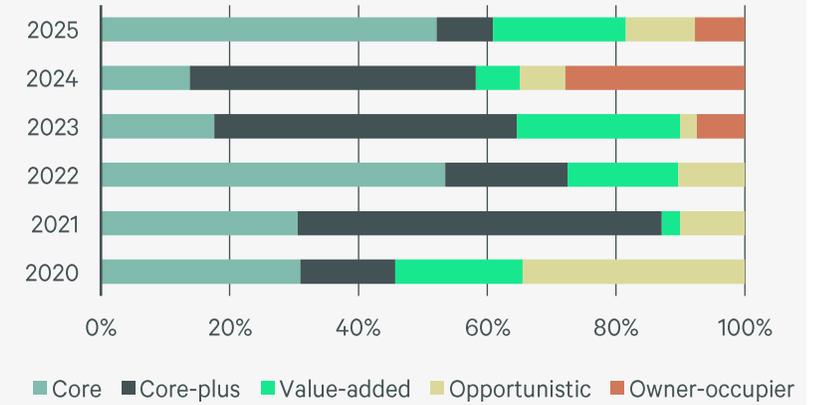
- The Cologne real estate investment market recorded a transaction volume of just under €1.6bn in 2025, making it the only one of the top 7 locations to achieve growth of 42% compared to the previous year; the buoyant second half of the year in particular, with just under €1.2bn, enabled the cathedral city to achieve its strongest result since 2021 and exceed the ten-year average
- Office properties (46%) were by far the predominant asset class among investors, who in the commercial segment focused more strongly than last year again on the city center and north, ahead of residential properties (22%) and hotels (20%); drivers of growth were several large deals in the second half of the year, most notably the ‘Friedrich und Karl’ and ‘Gerling Garden’ office complexes in the triple-digit million range, but also the sales of the ‘Southern Cross’ hotel property for just under €100m and the ‘Ringviertel’ residential development sites in Rodenkirchen
- The significant increase in deals overall, and particularly in the €10m to €50m segment, ensured that the investment volume was distributed much more evenly across all size categories, leading to a broadening of the market base; compared with the previous year, the average deal size remained virtually stable at €30.4m
- Investors were selective in terms of quality and security, investing predominantly in single assets and core properties, which accounted for more than half of all transactions; nevertheless, the increase in value-add and opportunistic investments cautiously points to a more liquid and risk-tolerant market again
- Open-ended real estate and special funds were the largest buyer group with a share of 20%, followed by real estate companies (19%) and corporates (14%); compared to the previous year, the share of foreign investors almost tripled to 17% – particularly for investors from neighboring EU countries Cologne was an attractive investment location in 2025
- Following the demand-driven yield compression for retail and office properties in the third quarter, prime yields in the commercial asset classes remained stable at the end of the year, standing at 4.9% for prime office, 4.75% for retail, and 4.5% for logistics properties

FIGURE 22
Investment Volume by Types of Buyer/Seller (in €bn)



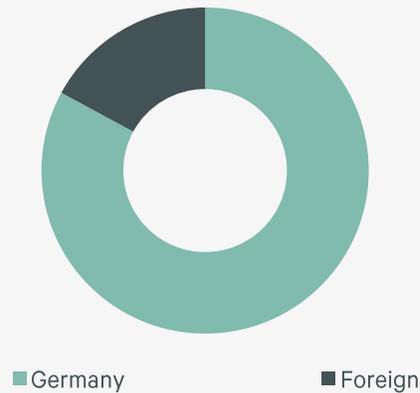
Source: CBRE Research Q4 2025

FIGURE 23
Investment Volume by Risk Classes (in %)



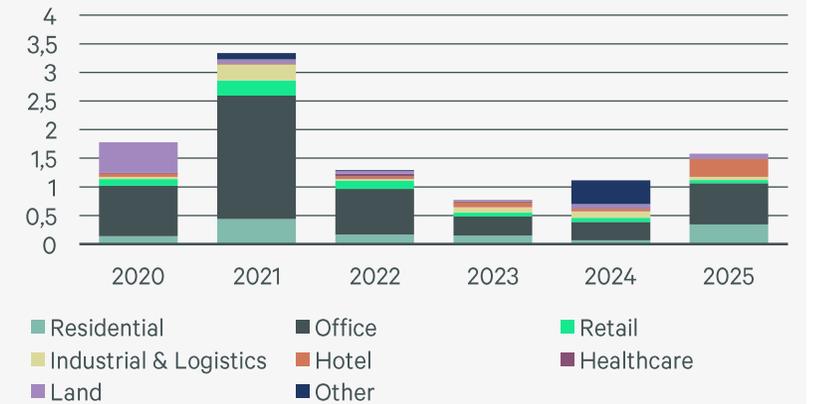
Source: CBRE Research Q4 2025

FIGURE 24
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 25
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q4 2025

Stuttgart

- Against the backdrop of a continuing challenging market environment, transaction volume on the Stuttgart investment market declined by 59% year-on-year to a total of €165m; just under a third of this was attributable to the fourth quarter, in which several larger sales sent cautiously positive signals regarding further market development
- In view of low vacancy rates and sustainably stable investment parameters, investors are focusing on centrally located office and mixed-use properties and, increasingly, on properties with conversion potential, as illustrated by the sale of the former office property at Marienstraße 44-46 to Watzl Group, which is being converted into serviced apartments as part of a comprehensive refurbishment
- In terms of investment volume by asset class, the office segment accounted for just under half of the transaction volume last year, ahead of retail properties with 23% and hotels with 19%; core and core-plus investment strategies dominated with 82% of the total volume, with the remaining 18% accounted for by investments with value-add potential
- The reluctance of institutional investors due to the current investment environment also shaped market activity in Stuttgart last year; more than a fifth of the investment volume (23%) was attributable to private investors, for whom the current market situation offers unique investment opportunities in rare, high-quality properties in good locations in Stuttgart. In addition, special funds (32%) and asset/fund managers (22%) also recorded double-digit shares of turnover, closely linked to the few larger transactions
- The prime office yield in Stuttgart at the end of the year was 4.9%, as in the previous quarter, and continues to be considered stable in line with the other top markets in the institutional segment; private investors, on the other hand, often accept lower returns for unique market entry opportunities

FIGURE 26
Investment Volume by Types of Buyer/Seller (in €bn)



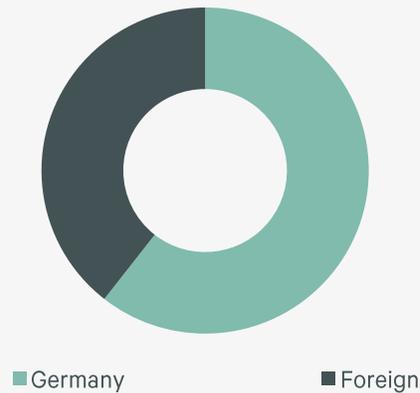
Source: CBRE Research Q4 2025

FIGURE 27
Investment Volume by Risk Classes (in %)



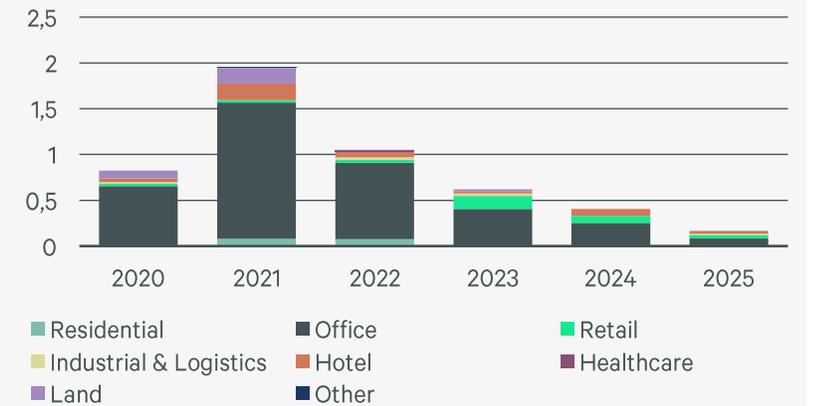
Source: CBRE Research Q4 2025

FIGURE 28
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q4 2025

FIGURE 29
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q4 2025

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